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IN THE

Supreme Court of the United States

OCTOBER TERM, 1941

No. 632

314-685

TOMLINSON I. MOSELEY, RALPH M. KEELE and KEELMO CO., a corporation,

Petitioners,

vs.

UNITED STATES APPLIANCE CORPORATION,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT AND BRIEF IN SUPPORT THEREOF

ALAN W. DAVIDSON,
Bank of America Building,
Oakland, California,

Attorney for Petitioners.

OSCAR ALVIN MELLIN,
712 Bank of America Building,
Oakland, California,

Of Counsel.

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PETITION FOR WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT

To: The Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Petitioners, Tomlinson I. Moseley, Ralph M. Keele and Keelmo Co. (a corporation) respectfully pray for a Writ of Certiorari to the United States Circuit Court of Appeals for the Ninth Circuit to review a judgment of that Court entered June 14, 1941. Petitions for rehearing were denied on August 19, 1941.

In conformity with the provisions of Rule 38 of this Court, a certified copy of the record including the proceedings in and the opinion of the Circuit Court of Appeals in this case accompanies this petition (Opinion R. Vol. IV, page 866; Decree R. Vol. IV, page 973; Orders denying petitions for rehearing R. Vol. IV, page 874).

SUMMARY STATEMENT OF THE MATTER INVOLVED.

The judgment sought to be reviewed herein was rendered by the Circuit Court of Appeals for the Ninth Circuit holding Letters Patent No. 1,984,585 (R. Vol. III, page 534) *valid and infringed* as to petitioners (by the application of the rule of estoppel), but *invalid because of want of invention* over the prior art as to another appellee (not a petitioner).

There is no dispute as to the facts. There is involved herein solely the question of patent law as to whether a claim of a patent (held totally invalid as to a stranger to the patent because of want of invention over the prior art) should be construed broadly in disregard of the prior art against those estopped to deny its validity, or should be construed narrowly in accordance with the prior art. The Circuit Court of Appeals decided this question in direct conflict with the decision of this Court in the case of *Westinghouse Co.* v. *Formica Co.*, 266 U. S. 342.

The petitioners here were held by the Circuit Court of Appeals to be estopped from denying the validity of the patent, and the circumstances creating the estoppel were briefly as follows:

The petitioner Keele (a hairdresser by trade) designed a steam hair curling machine for waving hair on the human head by the widely used Croquignole method. Steam was generated by means of an external boiler and conducted through hoses to a rubber jacket which was placed over the wound strands of hair (Croquignole wind-

ing) to impart heat thereto.[1] This jacket is the device of the patent in suit. In the language of the Circuit Court of Appeals for the Ninth Circuit (Opinion R. Vol. IV, page 867):

> "In using the device covered by the claim steam is allowed to enter the rubber jacket through a nipple in the rubber and to exhaust through another similar opening in the rubber jacket. The steam is conducted to the jacket by a tube from a boiler. The trade name of the plaintiff's complete outfit is 'Pyro-mist.' *The use of rubber as a lining for the enclosing jacket was known in the art.*" (Italics ours)

The patent in suit was assigned by Keele along with other patents on the "Pyro-mist" machine (while in application stage) to the respondent and the "Pyro-mist" machine, of which the patented device was a part, went on the market and was a total commercial failure and was commercially entirely abandoned (R. Vol. IV, page 869).

Thereafter the petitioner Keele invented an apparatus for waving hair known commercially as "Koolerwave",[2] which apparatus produces the waving temperature by means of an exothermic chemical cartridge disposed directly within a jacket (the device held to be an infringement of the patent in suit), that was applied to the wound hair. Such a jacket employs no such elements as the inlet or exhaust steam openings (necessary to the use of the device of the patent in suit) or nipples (and would not work it if had them), but has a chamber (not found in the patent) for the reception of the chemical cartridge.

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1. The Circuit Court of Appeals found all this mode of operation to be fully disclosed in the prior art.

2. Illustrated and described in Letters Patent No. 2,187,473, No. 2,187,474, No. 2,137,704 (R. Vol. III, page 590).

The Circuit Court of Appeals stated the difference between the jacket of the patent and the device held to infringe as follows (R. Vol. IV, page 871):

> "The defendant uses such rubber in its jacket and attempts to differentiate its apparatus from that patented by calling attention to the two openings in the jacket shown in the patent drawings for the entrance and exhaust of steam, *and the fact that its own device contains no such openings and would not work if it had them.*" [3] (Italics ours)

The petitioner Moseley aided Keele in the development of the "Koolerwave" apparatus and patents were granted thereon to the Keelmo Co., owned jointly by Moseley and Keele, for the "Koolerwave" apparatus and for the novel form of chemical cartridge employed therein. The patents so granted were Nos. 2,187,473, 2,187,474 and 2,137,704 (R. Vol. III, page 590).

The Keelmo Co. licensed the Rilling Arnao Company (not a party to the suit) under these patents and the latter manufactured and distributed the devices through dealers such as the Beauty Shop Supply Co., Inc. (a defendant below), paying a royalty to the Keelmo Co. for the use of its patents. The "Koolerwave" process was immediately and widely successful and is in general use (R. Vol. I, page 185).

In the opinion and judgment sought to be reviewed, the Circuit Court of Appeals for the Ninth Circuit found the patent totally invalid for want of invention (as against

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3. The Circuit Court also found: "The use of rubber as a lining for the enclosing jacket was known in the art." (R. Vol. IV, page 867).

Beauty Shop Supply Co., Inc., the appellee not held estopped) as follows (R. Vol. IV, page 868):

> "A consideration of these prior patents shows similar devices and it will be found that the patented device merely substitutes flexible rubber for other material used in the prior art to make a jacket. A substitution of one material with known characteristics for another material does not rise to the dignity of invention. Round Tip Pencil Co. v. Howard, 20 Wall. 498; Oliver Sherwood Co., et al., v. Paterson Ballaugh Co., 95 F. 2d. 70. *Similar jackets are found in the prior art.*"
>
> * * *
>
> "We therefore hold that plaintiff's patent in suit is invalid for want of invention." (Italics ours)

This Honorable Court in the case of *Westinghouse Co.* v. *Formica Co.*, 266 U. S. 342, expressly held that the same rule of construction of a patent is applicable in the case of an estopped assignor as is applicable between the patentee and a stranger to the patent. The following is an excerpt from that case:

> " 'The court will not assume against an assignor, and in favor of his assignee, anything more than that the invention presented a sufficient degree of utility and novelty to justify the issuance of the patent assigned, and will apply to the patent the same rule of construction, with this limitation, which would be applicable between the patentee and a stranger.' "[4]

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4. This language was taken and cited with approval by Mr. Chief Justice Taft from the decision of Mr. Justice Lurton in *Noonan v. Chester*, 99 Fed. 90.

The Circuit Court of Appeals in the instant case recognized this Court's ruling in the *Westinghouse Co.* v. *Formica Co.* case, supra, as follows (R. Vol. IV, page 871):

> "This question (of infringement) is not without difficulty because even as against a vendor of the patent the claims of a patent must be construed in the light of the prior art and be construed narrowly or broadly in accordance with the art. Westinghouse Co v. Formica Co., supra." (Insert ours)

However, the Circuit Court of Appeals then completely disregarded this rule by deciding the question of construction to be given a claim against an estopped assignor as follows (R. Vol. IV, page 872):

> "The patent claims, however, do not confine the invention to the specific form of apparatus shown in the patent drawings and does not mention such openings. Such openings were used in jackets shown in prior art patents cited above. *We can see no reason why the vendor of claim 3 of the patent should be permitted to narrow the claim and thus escape the charge of infringement where the patented apparatus is used with steam generated therein, hence, not requiring the use of openings for the passage of steam.*" [5] (Italics ours)

This ruling was decisive of the case on the question of infringement as to those estopped to deny validity.

Had the Circuit Court of Appeals for the Ninth Circuit properly applied the rule of the *Westinghouse Co.* v.

5. The patent contains twelve claims and all but claim No. 3 include the element "an opening for inflow of steam," not found in the device held to infringe and which device (in the language of the Circuit Court of Appeals) "would not work if it had them."

Formica Co. case, supra, in this case, it should have narrowed the claims in view of the well established rule of construction of patents as laid down in this Court and well expressed in the case of *Miller* v. *Eagle Manufacturing Company*, 151 U. S. 186, 14 S. Ct. 310,[6] and confined them to the specific apparatus described in the specification and shown in the drawings of the patent.

The manifest refusal of the Circuit Court of Appeals to give effect to the law of the *Westinghouse Co. v. Formica Co.* case, supra, by applying the rule of construction of the *Miller* v. *Eagle Manufacturing Company* case, supra, resulted in giving a construction to a claim of a totally invalid Letters Patent (*invalid because of want of invention over the prior art*), as against an estopped assignor, so broad that such claim is infringed by a part of a subsequently patented apparatus, which part was not intended to perform and incapable of performing the function of the device taught by the patent in suit, the functions of the apparatus held infringing not being contemplated by and incapable of being performed by the patented device made in accordance with the teachings of the patent in suit. By such construction the Circuit Court of Appeals has enjoined petitioner Keele (a hairdresser by trade) from using the "Koolerwave" apparatus and thus denies him of his constitutional right to engage in his calling on equal terms with all others.

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6. The following rule is stated in this case (151 U. S. at 208): "We think it manifest, from the prior state of the art, if the invention covered by his patent of 1879 was not anticipated, and if it has any validity, that it must be limited and confined to the specific spring device which is described in the specification and shown in the drawings forming parts of the letters patent. Being thus limited, there is clearly no infringement in the device used by the appellants or their principals, P. P. Mast & Company."

JURISDICTION.

Under Sec. 240 (a) of the Judicial Code as amended by the Act of February 13, 1925 (28 U. S. C. A. [a]), this Court has jurisdiction to review the judgment of the Circuit Court of Appeals herein. Judicial Code Sec. 41 (7) gives the District Courts of the United States original jurisdiction "of all suits at law or in equity arising under the patent, the copyright, and the trademark laws." The instant case is a suit in equity to enjoin infringement of United States Letters Patent No. 1,984,585. The Circuit Court of Appeals had jurisdiction of respondent's appeal (Judicial Code Sec. 129) from the decree of the District Court dismissing the suit on the grounds of non-infringement.

The judgment of the Circuit Court of Appeals was entered June 14, 1941. Petitions for rehearing were filed within thirty (30) days thereafter, and such petitions were denied on August 19, 1941, and this petition is filed within three (3) months thereafter (28 U. S. C. A. 350; R. S. Sec. 1008 as amended, Sec. 6 Act of September 6, 1916, 39 Stat. 727).

The discretionary power of this Court to grant a Writ of Certiorari is invoked upon the ground set forth in Rule 38, subdivision 5 (b) of this Court, in that the Circuit Court of Appeals for the Ninth Circuit "has decided a Federal question in a way probably in conflict with applicable decisions of this Court," to-wit, deciding the rule of construction of a patent claim as against an estopped assignor in direct conflict with the decision of this Court in the case of *Westinghouse Co.* v. *Formica Co.*, supra.

QUESTIONS PRESENTED.

(1) Does not the decisive ruling of the Circuit Court of Appeals—

> "The patent claims, however, do not confine the invention to the specific form of apparatus shown in the patent drawings and does not mention such openings. Such openings were used in jackets shown in prior art patents cited above. We can see no reason why the vendor of claim 3 of the patent should be permitted to narrow the claim and thus escape the charge of infringement where the patented apparatus is used with steam generated therein, hence, not requiring the use of openings for the passage of steam." (R. Vol. IV, page 872)

give a broad interpretation to a claim of an invalid patent (invalid because of want of invention over the prior art) in conflict with the law as to the scope of an estoppel laid down by this Court in the case of *Westinghouse Co.* v. *Formica Co.*, supra, and in effect widen the doctrine of estoppel, and thus by judicial decree enlarge the scope of the patent laws beyond their intent and purpose?

(2) Where a Letters Patent is held invalid for want of invention over the prior art as to all not estopped to deny its validity, should not the claims thereof be narrowly construed in accordance with the prior art in determining the question of infringement as to those estopped to deny validity?

(3) Should the claims of a Letters Patent held invalid for want of invention over the prior art as to all not estopped be so broadly construed as against those estopped

to deny its validity as to include a subsequent device which would be inoperative for its purpose if made in accordance with the teachings of the patent in suit, which patent does not disclose a device capable of or contemplating the use and functions of the subsequent device?

REASONS RELIED ON FOR THE ALLOWANCE OF THE WRIT.

(1) The decision of the Circuit Court of Appeals in the instant case decides an important Federal question of patent law in conflict with the decision of this Court rendered in connection with the case of *Westinghouse Co.* v. *Formica Co.,* (supra).

(2) The decision of the Circuit Court of Appeals in the instant case by failing to follow the rule of *Westinghouse Co.* v. *Formica Co.,* supra, and *Miller Manufacturing Company,* supra, has broadened the scope of the rule of estoppel as against patent assignors and those in privity with them in conflict with the law laid down in *Westinghouse Co.* v. *Formica Co.* (supra), and by judicial decree widened the scope of the patent laws beyond their intent and purpose.

(3) That to permit the rule as to estoppel laid down by the Circuit Court of Appeals in the instant case to stand in conflict with the decision of this Court in *Westinghouse Co.* v. *Formica Co.,* supra, would likely result in confusion and uncertainty and lack of uniformity in the various Circuits in the application of the rule of estoppel in cases arising under the patent laws of the United States, to the detriment of the fundamental purposes of the patent system.

(4) That by failure to follow the law as to the application of estoppel to patent assignors and those in privity with them as laid down by this Court in the case of *Westinghouse Co.* v. *Formica Co.*, supra, the Circuit Court of Appeals in the instant case has deprived petitioners of their right to select and engage in their calling on equal terms with others; thus substantial constitutional rights of citizens are involved.

Wherefore your petitioners respectfully pray that a Writ of Certiorari be issued under the Seal of this Court, directed to the United States Circuit Court of Appeals for the Ninth Circuit, commanding that Court to certify and send to this Court on a day to be designated a full and complete transcript of the record and all proceedings of said Circuit Court of Appeals had on this cause to the end that this cause may be reviewed and determined by this Court that the judgment of said Circuit Court of Appeals as to the matters raised herein be reversed, and that your petitioners may be granted such other and further relief as may seem just and proper.

Respectfully submitted,

ALAN W. DAVIDSON,
Bank of America Building,
Oakland, California,

Attorney for Petitioners.

OSCAR ALVIN MELLIN,
712 Bank of America Building,
Oakland, California,

Of Counsel.

CERTIFICATE OF COUNSEL.

I hereby certify that the foregoing petition for Writ of Certiorari is not interposed for delay and in my judgment the same is well founded.

ALAN W. DAVIDSON,

Attorney for Petitioners.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941

No. .....

TOMLINSON I. MOSELEY, RALPH M. KEELE and KEELMO CO., a corporation,

Petitioners,

vs.

UNITED STATES APPLIANCE CORPORATION,

Respondent.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

OPINION IN THE COURT BELOW.

The opinion of the Circuit Court of Appeals in the instant case is found in R. Vol. IV, page 866, and is reported as United States Appliance Corporation v. Beauty Shop Supply Co., Inc., et al., 121 Fed. [2d] 149, advanced sheet of August 25, 1941. The Findings of Fact and Conclusions of Law entered by the District Court are at R. Vol. I, page 54. The District Court did not write an opinion.

JURISDICTION OF THIS COURT.

The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code as amended by the act of February 13, 1925; 28 USCA, Sec. 347 (a). The date of the judgment sought to be reviewed is June 14, 1941 (R. Vol. IV, page 873), but the petitions for rehearing were not denied until August 19, 1941 (R. Vol. IV, page 874), and this petition is filed within three months thereafter (28 USCA 350; R. S. Sec. 1008 as amended, Sec. 6 act of September 6, 1916, 39 Stat. 727). The discretionary power of this Court to grant a Writ of Certiorari is invoked upon the ground set forth in Rule 38, subdivision 5 (b) of the rules of this Court.

STATEMENT OF FACTS.

In General.

This is a suit in equity for infringement of Letters Patent No. 1,984,585 (R. Vol. III, page 534). The District Court found non-infringement as to all defendants with no finding as to validity (R. Vol. I, page 54). The Circuit Court of Appeals for the Ninth Circuit reversed the District Court and found the patent valid and infringed as to petitioners [1] on the ground of estoppel, but invalid because of want of invention over the prior art as to the other defendant Beauty Shop Supply Co., Inc. [2] (not a petitioner) (Opinion R. Vol. IV, page 866).

1. The only fact upon which the estoppel was based was that the petitioner Keele assigned the patent in suit (while in the application stage) to the respondent. The petitioner Moseley was not a party to the assignment, nor was the petitioner Keelmo Co. The petitioner Moseley only assisted Keele in developing for commercial use his new invention "Koolerwave," of which apparatus the device alleged to infringe is a part, and the petitioner Keelmo Co. was formed by Moseley and Keele for advancing their interests.

2. The Beauty Shop Supply Co., Inc. (not a petitioner) was the actual seller or disrtibutor of the devices alleged to infringe, obtaining them from the Rilling-Arnao Company, of Minneapolis, Minnesota (not a party to the suit), who manufactured the "Koolerwave" apparatus, paying a royalty to Keelmo Co. under patents owned by it on the "Koolerwave" apparatus.

The Patent in Suit.

The patent in suit discloses a very simple device for use in permanently waving hair. In the language of the Circuit Court of Appeals (R. Vol. IV, page 867) the device is—

> "being a jacket of 'a single piece of resilient rubber' to be applied over a 'waving form', (a short rod known to the trade as a 'curler') and a 'holder' for applying this jacket. In practice this holder, or clip, consists of two pieces of metal hinged together and when in place held in closed position by a spring. Such a holder was previously known to the art. In using the device covered by the claim steam is allowed to enter the rubber jacket through a nipple in the rubber and to exhaust through another similar opening in the rubber jacket. The steam is conducted to the jacket by a tube from a boiler. The trade name of the plaintiff's complete outfit is 'Pyro-mist'. *The use of rubber as a lining for the enclosing jacket was known in the art.*" (Italics ours)

The only thing which the patent taught was making the jacket of a one piece of resilient rubber. As to this fact the Circuit Court of Appeals said (R. Vol. IV, page 868):

> "A consideration of these prior patents shows similar devices and it will be found that the patented device merely substitutes flexible rubber for other material used in the prior art to make a jacket."

The use of the jacket taught by the patent and the manner of conducting steam to it from an external boiler was old in the art.

The jacket shown in the patent in suit was part of a machine known as "Pyro-mist" which the respondent built and put on the market about 1934. Along with the patent in suit the petitioner Keele conveyed other patents, including the external steam boiler, to the respondent. This machine was put on the market by respondent under the tradename "Pyro-mist" and was a total commercial failure, which fact was recognized by the Circuit Court of Appeals in its opinion. The "Pyro-mist" machine embodying as a part the device of the patent in suit employed the old steam method of waving hair which included a stand carrying a boiler and with tubes leading from this boiler to the individual jackets, which are the devices of the patent in suit. In contrast with this, the subsequent invention by petitioner Keele of the new "Koolerwave" apparatus (of which the device held infringing is a part) includes only individual devices applied to the head in each of which is placed a chemical cartridge capable of exothermic reaction to generate the waving heat.[3] The "Koolerwave" apparatus was an immediate and widespread success commercially.

The Device Held to Be Infringing.

The device held to be an infringement is but one part of "Koolerwave" apparatus and comprises a one-piece

3. Three subsequent patents were issued on the "Koolerwave" process, two to the petitioner Keele on the method and apparatus and a third to one Siebert on the peculiar construction of the chemical cartridge, the title in all three of these patents being in the petitioner Keelmo Co., the stock of which is owned jointly by the petitioners Moseley and Keele. The record shows that considerable time and expense was involved in the perfection of the "Koolerwave" apparatus and method of waving hair, both by the petitioners and by the Rilling-Arnao Company, the subsequent licensee under these patents. The Rilling-Arnao Company was not made a party to the suit, but one of its dealers, the Beauty Shop Supply Co., Inc., was made a party, and as to this latter defendant the Circuit Court of Appeals held that the patent was totally invalid for want of invention over the prior art, but as to the petitioners, the patent was held valid and infringed.

rubber jacket mounted in a holder which is a two-piece hinger affair held normally closed by spring means, which jacket is adapted to be applied over a strand of hair wound on a curler rod as in standard practice. The jacket is provided with a cartridge chamber for receiving a chemical cartridge which generates heat exothermically to a sufficient degree to effect a curl by the well known Croquignole method.[4] This jacket does not have any nipples or openings for the inflow and exhaust of steam and is not intended to be used in connection with tubes and an external boiler as taught by the patent. In fact, it would not work if it had such nipples or openings.

As to the difference between the device held to be infringing and the device disclosed and taught by the patent, the Circuit Court of Appeals found as follows:

(1) That the disclosure of the patent in suit required the rubber jacket to have two openings for the entrance and exhaust of steam (R. Vol. IV, page 872).

(2) That the device held to be an infringement contains no such openings and would not work if it had them (R. Vol. IV, page 872).

Thus, here we have the anomalous situation of a device being held to be an infringement by giving a broad construction to an invalid patent, which device, if made in accordance with the teachings of that patent and for the purpose taught by the patent, would be inoperative, and

4. The complete construction and operation of the "Koolerwave" apparatus and the device alleged to infringe will be found in petitioners patents Nos. 2,187,473, 2,187,474, 2,137,704 (R. Vol. III, commencing at page 590).

where if the patented device were made like the device held to be an infringement, it would not function for the purpose and use which the patent teaches.

The Patent Claims.

There are twelve claims in the patent and all of them, except claim 3, includes the element "an opening for the inflow of steam" *not present in the device held to be infringing.*

The claim which the Circuit Court of Appeals apparently held infringed was claim 3 of the patent. This claim does not include the element "an opening for the inflow of steam" and reads as follows:

> "3. In permanent hair waving apparatus, a jacket adapted to be applied about a waving form, said jacket being formed of a single integral piece of resilient rubber, and a holder to which said jacket is detachably secured, said holder including opposed relatively movable members secured to opposed wall portions of the jacket."

SPECIFICATION OF ERROR.

The Circuit Court of Appeals erred in disregarding the applicable decisions of this Court by giving a broad construction to the claim or claims of the patent in suit, because of the existence of an estoppel to deny validity in total disregard of the fact that the patent was invalid for want of invention over the prior art, and thereby finding infringement thereof by petitioners.

ARGUMENT.

THE DECISIVE RULING OF THE CIRCUIT COURT OF APPEALS.

The Circuit Court of Appeals ruled on the question of infringement (R. Vol. IV, page 872):

> *"The patent claims, however, do not confine the invention to the specific form of apparatus shown in the patent drawings and does not mention such openings.* [5] Such openings were used in jackets shown in prior art patents cited above. *We can see no reason why the vendor of claim 3 of the patent should be permitted to narrow the claim and thus escape the charge of infringement* where the patented apparatus is used with steam generated therein, hence not requiring the use of openings for the passage of steam." (Italics ours)

By the word "patented" in the last quotation, the Circuit Court of Appeals apparently meant patented to the petitioners and not the patent in suit.

Thus, it is manifest that the Circuit Court of Appeals rules infringement only of claim 3 and no infringement of the remaining claims in suit because the latter expressly include "an opening for the inflow of steam" not present in the device held to be an infringement, while claim 3 does not include such an element and is therefore broader. It always has been the law that the omission of an element and its function from a patent claim avoids infringement of that claim. (*Prouty* v. *Ruggles,* 16 Peters 341; *Cimiotti Unhairing Co.* v. *American Fur Refining Co.,* 198 U. S. 399.)

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5. Claim 3 is the only claim omitting such mention.

As stated, the device held to infringe does not have an opening for the inflow of steam because it includes directly within it, in a chamber provided for that purpose, an exothermic heating cartridge and consequently omits the use of any element for the inflow of steam.

At this point it should be pointed out that the patent in suit does not teach the use of a chemical cartridge nor contemplates such use, nor does it make any provision such as a cartridge chamber for receiving such cartridge. Therefore, the only similarity between the two devices is the physical one that they both include a one-piece resilient rubber jacket and both are used for waving hair as taught by the prior art.

In view of the fact that the Court found *absolutely no invention in the device of the patent in suit over the prior art,* as against a stranger to the patent it undoubtedly should have applied the well recognized rule of construction in construing the claims thereof. This rule of construction is well stated in the opinion of this Court in *Miller* v. *Eagle Manufacturing Company,* 151 U. S. 186. [6]

Where a claim eliminates an essential element of the device, the Court, in construing such a claim, where the prior art is very close will read into the claim essential elements not stated in the claim. This was done by this Court in *Westinghouse Co.* v. *Formica Co.,* 266 U. S. 342, as well as in many others. It has been the uniform prac-

6. The decisive holding of that case is as follows (at page 208): "We think it manifest, from the prior state of the art, if the invention covered by his patent of 1879 was not anticipated, and if it has any validity, that it must be limited and confined to the specific spring device which is described in the specification and shown in the drawings forming parts of the letters patent. Being thus limited, there is clearly no infringement in the device used by the appellants or their principals, P. P. Mast & Company."

tice of the courts, if conceding the validity of the claims, to narrow the same to the precise structure shown in the patent or its full equivalent.

The Circuit Court of Appeals, however, manifestly refused to apply such rule of construction in this case because of the existence of the estoppel, despite the fact that it held as against a stranger to the patent that the patent was totally invalid for want of invention over the prior art. Thus, it broadened the doctrine of estoppel so as to apply a different rule of construction of a patent claim as against one estopped to deny validity than it would have applied to a stranger to the patent. This is in direct conflict with the rule of this Court in such cases as laid down in the case of *Westinghouse Co. v. Formica Co.* (supra). In that case this Court, speaking through Mr. Chief Justice Taft, stated:

> " 'The Court will not assume against an assignor, and in favor of his assignee, anything more than that the invention presented a sufficient degree of utility and novelty to justify the issuance of the patent assigned, and will apply to the patent the same rule of construction, with this limitation, which would be applicable between the patentee and a stranger.' " [7]

The Circuit Court of Appeals recognized in its opinion the rule of the *Westinghouse Co. v. Formica Co.* case (supra) (R. Vol. IV, page 871):

> "This question is not without difficulty because even as against a vendor of the patent the claims of a patent must be construed in the light of the prior

7. This language was taken and cited with approval by Mr. Chief Justice Taft from the decision of Mr. Justice Lurton in *Noonan v. Chester*, 99 Fed. 90.

art and be construed narrowly or broadly in accordance with that art. Westinghouse Co. v. Formica Co., supra."

but expressly disregarded this rule by refusing to narrow the claim of the patent, which it had held totally invalid because of want of invention over the prior art, by ruling:

> *"The patent claims, however, do not confine the invention to the specific form of apparatus shown in the patent drawings and does not mention such openings.* Such openings were used in jackets shown in prior art patents cited above. *We can see no reason why the vendor of claim 3 of the patent should be permitted to narrow the claim and thus escape the charge of infringement* where the patented [8] apparatus is used with steam generated therein, hence, not requiring the use of openings for the passage of steam." (Italics ours)

DIRECT CONFLICT BETWEEN THIS CASE AND THE CASE OF WESTINGHOUSE CO. V. FORMICA CO.

In the case at bar the Circuit Court of Appeals expressly refused to narrow the claim of the patent as to the estopped petitioners, even after it held that the patent was totally invalid for want of invention over the prior art, and by so doing applied such a broad construction to

8. By the use of the word "patented" the Circuit Court of Appeals undoubtedly meant the patented "Koolerwave" apparatus patented to petitioners and did not mean the patent in suit because in the patent in suit the Court expressly recognized that the disclosure and teachings of that patent required the use of openings or nipples so that it could be connected by rubber hoses to a steam generating boiler located at some other point, whereas in the apparatus held to infringe a chemical cartridge for generating heat is located directly within the jacket. The evidence is undisputed that if the device alleged to infringe had openings for the inflow of steam, that it would be inoperative to wave hair, and the Circuit Court of Appeals in its opinion recognized this fact (R. Vol. IV, page 872).

the claim of the patent that it included the device held to be infringing, which would not function if made in accordance with the teachings of the patent in suit and which had a function which could not be accomplished by the device of the patent in suit if that device were made to perform the purposes for which it was intended in the patent.

Certainly, the Circuit Court of Appeals would not have so construed the claim as against a stranger to the patent under the rules of *Miller* v. *Eagle Manufacturing Company* (supra) and *Westinghouse Co.* v. *Formica Co.* (supra),[9] but, undoubtedly, as is clear from its opinion, it refused to narrow the claim despite the prior art because of the estoppel to deny validity that existed against these petitioners. This Court in *Westinghouse Co.* v. *Formica Co.* expressly and clearly rules that the exact rule of construction must apply to an estopped assignor as applied to a stranger to the patent. In fact, in the *Westinghouse Co.* v. *Formica Co.* case the Court read into the claim there under discussion an essential element of the device not referred to by the language of the claim. This is exactly what the Circuit Court of Appeals should have done in the case at bar. They should have read into claim 3 the essential element "an opening for the inflow of steam" which is present in every other claim of the patent in suit, and thus narrowed the claim to a structure fully equivalent to that shown in the patent in suit, and as the device held to be an infringement did not in-

9. The holding of the *Westinghouse Co. v. Formica Co.* case on this point is as follows: "In view of the art, however, it is very clear that the 11th and 12th claims must be read to include as an essential element of the combination therein claimed, the two-step process."

clude such an element, the Circuit Court of Appeals should have found non-infringement under well settled rules of law that the omission of an element from a claim avoids infringement of that claim.

Therefore, the decisive ruling of the Circuit Court of Appeals on infringement:

> "We see no reason why the vendor of claim 3 of the patent should be permitted to narrow the claim and thus escape the charge of infringement"

is in direct conflict with the applicable decisions of this Court above cited. We are convinced that the Circuit Court of Appeals reached an erroneous conclusion with respect to the question of infringement by these petitioners by failure to properly apply the rule of this Court laid down in the *Westinghouse Co.* v. *Formica Co.* case.

THE CIRCUIT COURT OF APPEALS EXTENDED THE DOCTRINE OF ESTOPPEL BEYOND THAT LAID DOWN BY THIS COURT.

The Circuit Court of Appeals in the case at bar not only ruled that an assignor and those in privity with him are estopped from denying the validity of the patent, but in effect ruled that they are also estopped to narrow the claims of the patent in suit by the showing of the state of the prior art. Unquestionably, this would be a dangerous extension of the doctrine and would in effect extend the patent laws to a point beyond that to which they were intended to extend. Certainly, under the equitable doctrine of estoppel an assignor should not deny the title or validity of the patent which he has conveyed, but neither should a patent so conveyed be construed so

broadly that it would include devices for a purpose and function and having a construciton not within the teaching of the patent.

THE INEQUITABLE RESULT OF THE EXTENSION OF THE RULE OF ESTOPPEL BY THE CIRCUIT COURT OF APPEALS.

The doctrine of estoppel, of course, is founded on equitable principles, but in this case its extension by the Circuit Court of Appeals results inequitably as against these petitioners. For example, the petitioner Moseley had no part in the assignment, and all he did was to advance money and services in assisting in perfecting the later Keele invention on "Koolerwave." But because of his association with Keele in this capacity, he is now deprived of the fruits of his services and investment by being enjoined from dealing in "Koolerwave" and will likely be deprived (if the decision of the Circuit Court of Appeals is permitted to stand) from the benefits accruing under the patents. This is certainly inequitable.

The petitioner Keele, by inventing a new and patentable method and apparatus for waving hair by chemical heat which gave to the hairdressing trade something that they never had before and which received immediate and widespread success, is, by the decision of the Circuit Court of Appeals, not only probably deprived of all the fruits of his invention and labor in perfecting it, but in addition is enjoined from using the "Koolerwave" apparatus and thus is placed in a position where he cannot practice his trade or profession on equal terms with other members of his profession. Certainly, the equitable doctrine of estoppel should not be extended to work to such an inequitable end.

CONCLUSION.

We respectfully submit that the decisive ruling of the Circuit Court of Appeals in the instant case on the question of infringement is in direct conflict with the applicable decisions of this Court; that this question is a Federal question which is of considerable importance with regard to the patent laws of the United States, and involves a substantial right of citizens to practice their calling on equal terms with all others; that because of the conflict, the instant case is one calling for the exercise of the supervisory powers of this Court to grant a Writ of Certiorari under Rule 38, subdivision 5 (b) of the rules of this Court, and the petitioners, therefore, respectfully pray that a Writ of Certiorari be granted so that this Court may review the decision of the Circuit Court of Appeals for the Ninth Circuit and finally reverse it.

Respectfully submitted,

ALAN W. DAVIDSON,
Bank of America Building,
Oakland, California,
Attorney for Petitioners.

OSCAR ALVIN MELLIN,
712 Bank of America Building,
Oakland, California,
Of Counsel.

In the Supreme Court

OF THE

United States

OCTOBER TERM, 1941

No. 632

TOMLINSON J. MOSELEY, RALPH H. KEELE and KEELEMO CO. (a corporation),
Petitioners,

vs.

UNITED STATES APPLIANCE CORPORATION,
Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

PHILIP HARPER ALLEN,
Crocker Building, San Francisco, California,
Attorney for Respondent.

PAUL D. FEHR,
JOHN F. SWAIN,
Crocker Building, San Francisco, California,
Of Counsel.

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BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

Respondent opposes the granting of the Petition for Writ of Certiorari, and submits that the Petition fails to set forth circumstances or facts warranting a review by this Court.

ANALYSIS OF PETITIONERS' REASONS FOR WRIT OF CERTIORARI.

On pages 10 and 11 of the Petition, four reasons or points are set forth for allowance of the writ. The third and fourth points are clearly dependent upon the first two. All of the reasons stated can be condensed into two contentions which can be concisely set forth as follows:

(1) Petitioners contend that the decision of the Circuit Court of Appeals is in conflict with the decision of this Court in *Westinghouse Electric and Manufacturing Company v. Formica Insulation Company,* 266 U. S. 342, in the way in which the doctrine of estoppel was applied to hold the patent valid and infringed as to Petitioners.

(2) Petitioners contend that in its application of the rule of estoppel and in its holding of infringement, the Circuit Court of Appeals broadened the scope of the rule of estoppel as set forth in *Westinghouse Co. v. Formica Co.* (supra) against patent assignors and those in privity with them.

Petitioners base their above reasons largely on the fact that the device held to be an infringement is not precisely the same as the device shown in the patent in suit, and the patent was held invalid to parties not estopped.

REVIEW OF THE DECISION OF THE CIRCUIT COURT OF APPEALS.

The opinion of the Circuit Court of Appeals is simple and understandable (Rec. pp. 866-872, incl.,

reported in 121 Fed. (2d) 149). The trial Court held that the patent in suit was not infringed, but made no ruling on validity. The Circuit Court of Appeals recognized error in the trial Court's decision, and held that upon the facts as shown by the record, and after considering the state of the prior art, the patent in suit was infringed, and that Petitioners were estopped to deny validity. With respect to the Appellant, Beauty Shop Supply Co., Inc. (not a Petitioner), the Circuit Court of Appeals held that the doctrine of estoppel did not apply, and that the patent in suit was invalid to that defendant.

THE PATENTED DEVICE AND THE DEVICE HELD TO INFRINGE.

It is helpful to compare the device of the patent in suit, referred to as the "Pyro-Mist" device (Rec. p. 577, see "J"; p. 534, Figs. 1 to 6; Plaintiff's Ex. 17-N, introduced, Rec. p. 95) with the device held to be an infringement, referred to as the "Koolerwave" device (Rec. p. 577, see "22"; p. 576 B, Fig. 4; Plaintiff's Ex. 4-B, introduced Rec. p. 90). There are striking similarities between these devices, including similarities in construction, mode of operation and results accomplished (Rec. p. 120 to 126, incl.). As pointed out in the patent in suit (Rec. pp. 533 to 540, incl.), in forming so-called permanent hair waves, strands of hair are wound upon curling rods, some chemical solution is applied to soften the hair, and then the wound hair is heated to an elevated temperature to give a permanent effect to the wave. The "Pyro-Mist" de-

vice as described in the patent (Rec. p. 534, Figures 1-6, incl.) is a device for heating the wound hair. The patent specification acknowledges certain prior art devices for heating the wound hair, including electrical heaters adapted to be clipped over the hair, and metal boxes made of hinged parts for enclosing the hair and into which steam is introduced. Disadvantages for the prior art steam boxes are pointed out (Rec. p. 537, lines 25-35, incl. first column).

The patent specification also describes the objects of the invention as follows (Rec. p. 537, lines 36-47, first column):

> "It is an object of the present invention to provide an improved hair waving apparatus of the type last described, that is, an apparatus which imparts heat to the wound hair by applying steam or like fluid. The invention is characterized by a simple and effective jacket and a holder for the same which serve to apply steam to the wound hair, which can be readily manipulated by an operator without danger or discomfort to the subject, and which are well adapted for use with prevailing types of curlers and protectors."

The form of the patented device shown in the patent (Rec. p. 534, Figs. 1-6, incl.) is a jacket formed of a single piece of resilient rubber, the edges of which are attached by means of rubber buttons to a spring clip type of holder. These devices are used in conjunction with so-called croquignole protectors and curlers (Rec. p. 538, lines 4-26, incl., second column). The protector is a form of clamp which is applied to a flat strand of hair near the head. The strand of hair is then wound

upon the curler, after which the curler is disposed upon the protector. Then the patented device is applied over the curler to form an enclosed space about the curler for receiving steam.

The specification of the patent in suit does not limit the invention to any particular source of steam for use with the device. However, it states that steam can be introduced from an external boiler through a tube (Fig. 1 of the patent, Rec. p. 534) coupled to a nipple 26 (Rec. p. 538, lines 4-26, incl., column 2).

Comparing the Pyro-Mist device of the patent in suit with Petitioners' Koolerwave device, the latter is also used for carrying out the same heating operation in permanent hair waving, and is applied over a curler in the same manner as the Pyro-Mist device of the patent in suit. It uses the same combination of a jacket formed of a single piece of resilient rubber detachably secured to a holder. After the Koolerwave device is applied over a curler, steam is introduced into the space formed by the rubber jacket to heat the hair (Rec. p. 592, line 25, column 2 to p. 593, line 34, column 1).

As pointed out by the opinion of the Circuit Court of Appeals (Rec. pp. 866-872, incl.), the principal difference between the patented "Pyro-Mist" device and the infringing Koolerwave device is that in using the latter, steam is generated by a chemical cartridge which is dipped in water and introduced into a small recess or compartment within the jacket, before the device is applied to a curler. Water absorbed by this cartridge causes a chemical exothermic reaction, and

the heat thus generated boils water to form steam, and the steam then passes around the wound hair. There is ample evidence of record that the steam as it is generated flows through an opening connecting the jacket compartment with the main part of the jacket (the part which encloses the wound hair) (Rec. pp. 121-122). There is also evidence that the opening in the Koolerwave device corresponds to the opening in the Pyro-Mist jacket for introducing steam (Rec. pp. 121-122). Also, there is evidence that when using the Koolerwave device, steam is discharged from the ends of the jacket, corresponding to discharge of steam from one of the two nipples 16, in the form of the device shown by the patent in suit (Rec. p. 118). The Koolerwave device can be used with a separate steam boiler, the same as the patented device, simply by providing an opening for connection with a steam conveying tube (Rec. p. 122).

Essentially, therefore, each of the Koolerwave devices held to be an infringement makes use of an individual vaporizer or steam boiler for generating the steam which heats the wound hair, while the embodiments shown in the patent in suit were described as (but not limited to) using a single boiler for supplying steam to a number of such devices.

PETITIONERS' CONTENTIONS ON ESTOPPEL AND INFRINGEMENT.

Petitioners charge that the Circuit Court of Appeals erred in its holding on infringement, and they contend

that the patent in suit should be restricted to the precise design of apparatus illustrated in the patent and described in the specification, because the patent was held to be invalid to third parties.

In other words, Petitioners would urge upon this Court the proposition that when a patent is held invalid with respect to third parties, all principles of equity in the interpretation of the patent must be disregarded between the owner of the patent and one estopped to deny validity, and the patent must be emasculated to the point of covering only the bare preferred embodiment which it discloses. It is submitted that such a proposed principle is clearly in error, because it completely disregards all principles of equity.

The doctrine of estoppel by grant as applied in patent cases is based upon equity. This is made clear by the decision of this Court in *Westinghouse Co. v. Formica Co.* (supra), where this Court stated (at page 350):

> "* * * If one lawfully conveys to another a patented right to exclude the public from the making, using, and vending of an invention, fair dealing should prevent him from derogating from the title he has assigned, just as it estops a grantor of a deed of land from impeaching the effect of his solemn act as against his grantee. The grantor purports to convey the right to exclude others, in the one instance, from a defined tract of land, and, in the other, from a described and limited field of the useful arts. The difference between the two cases is only the practical one of

fixing exactly what is the subject-matter conveyed."

In the present instance, the Circuit Court of Appeals recognized equities in favor of the patent owner, irrespective of invalidity as to third parties, and in effect has held that the Petitioners have derogated from the represented subject matter of the patent grant, which was assigned by one of the Petitioners (Ralph M. Keele) to the Respondent United States Appliance Corporation.

A CONSIDERATION OF THE COURT'S HOLDING ON INFRINGEMENT.

No reason can be seen for disturbing the holding of the Circuit Court of Appeals on infringement. A large mass of evidence was taken during trial of the case and was before the Circuit Court of Appeals, including the statements of experts, prior art, and facts with respect to similarities and differences in construction and mode of operation. After weighing all of this evidence, the Circuit Court of Appeals has held that the patent in suit is infringed by the Koolerwave device.

A finding by a Circuit Court of Appeals on the question of infringement should not ordinarily be disturbed by this Court. Certainly in this case, as in all patent cases, it is permissible for the Court to exercise its judgment on infringement with reasonable latitude, to take into account the equities of the parties.

All of the differences now urged by the Petitioners were clearly recognized by the Circuit Court of Appeals, and it was held that such differences were not material.

THE INTERPRETATION OF THE PATENT CLAIMS BY THE CIRCUIT COURT OF APPEALS.

At several points, the Petitioners have attacked the holding of the Circuit Court of Appeals on the question of infringement by stating that the patent in suit was broadly construed by the decision against the stopped parties, and in such a manner as to include a subsequent device which would be inoperative for its purpose if made in accordance with the teaching of the patent in suit, and which patent does not disclose a device capable of, or contemplating, the use or functions of the subsequent device. This contention is unwarranted, and is not supported either by the evidence on infringement or the opinion of the Circuit Court of Appeals.

The Court in its opinion clearly points out that the claims are of narrow scope and are directed to a structure such as is incorporated in the Koolerwave device. Thus, it was not necessary for the Court to interpret the claims broadly to find infringement. In this connection, the Court stated as follows (Rec. p. 871):

> "The claims in suit are so narrowed by their terms that they apply only to the use of resilient rubber to form the jacket within the holder. The defendant uses such rubber in its jacket * * *."

Recognition by the Circuit Court of Appeals that differences might exist between the Plaintiff's and Defendants' devices with respect to precise construction and mode of generating steam, does not of itself warrant the contention that the Circuit Court of Appeals has given a broad construction to the patent in suit. This is particularly true where, as in the present instance, the Circuit Court of Appeals clearly points out in its opinion that the claims in suit are not concerned with the specific source of steam employed (Rec. p. 872).

Petitioners' contentions concerning inoperativeness of the infringing device if made in accordance with the patent disclosure, and inability of the device of the patent to accomplish the results of the device in the form shown in the patent, are intended to exaggerate the differences pointed out above, and ignore the primary and important similarities in construction, operation and results. It is obvious that the shape of the rubber jacket must be changed from that shown in the patent, when the device is used with a chemical cartridge. Also, it is possible to use a Koolerwave device with an external steam boiler (Rec. pp. 133-134, 163-164).

Petitioners call attention to statements in the Circuit Court's opinion concerning absence of openings in the infringing Koolerwave device, for inflow of steam. This had reference to openings to the exterior of the jacket like the nipples on the device shown in the patent (Rec. p. 534, Fig. 1, nipple 26). The evidence

of record shows that the Koolerwave device does have a corresponding opening for flow of steam from the compartment (which holds the steam generating cartridge) into the space surrounding the hair (Rec. pp. 121, 122). Thus, there is no elimination of an opening as argued on pages 19 and 20 of Petitioners' Brief.

Also, Petitioners state (Petition for Writ, p. 3) that the Koolerwave device has no opening for discharge of steam. This is directly contrary to the testimony of Petitioners' expert (Rec. pp. 340, 347), who stated that in using the Koolerwave device a small steam pressure was built up in the jacket and that some steam discharges from the ends of the curler, and which testimony was confirmed by Respondent's expert (Rec. p. 118).

THE DECISION OF THE CIRCUIT COURT OF APPEALS IS NOT IN CONFLICT WITH OR AN EXTENSION OF WESTINGHOUSE CO. v. FORMICA CO.

As previously stated, it is incorrect to contend that the Circuit Court of Appeals has given a broad interpretation to the claims of the patent in suit. Furthermore the decision of *Westinghouse Co. v. Formica Co.* (supra) does not and was not intended to prohibit some latitude with respect to the scope of a patent, depending upon the facts of the case, where the patent is being urged against an estopped party, but is held void with respect to others.

Prior to the decision of this Court in *Westinghouse Co. v. Formica Co.* (supra), the law was uncertain

with respect to the defenses available to an estopped party, as for example a grantor of a patent, where the estopped party was being charged with infringement. This Court in the *Westinghouse* case held that such an estopped party was entitled to show the state of the prior art in order to show lack of infringement of the patent claims.

In *Westinghouse Co. v. Formica Co.* (supra), the patent claim defined a process for making sheets of insulating material, and the procedure described in the patent involved a first step in which several sheets of paper or fibrous material, impregnated with bakelite, were heated and compressed together, and a second step in which the composite sheet as formed in the first step was baked in an oven. The estopped defendant was using a one step process involving simultaneous use of both pressure and heat, without the second baking step. He offered evidence to show that it was old in the art to use a one step process. This Court simply held that upon a showing of such evidence, the defendant did not infringe the patent, even though estopped to deny validity.

In the present instance, Petitioners failed to justify their acts by the disclosures of the prior art. In other words, they failed to show any prior art in existence at the time the estoppel arose which justifies their appropriation of the features described in the patent specification and defined by the patent claims, as found by the Circuit Court of Appeals.

It is true that considerable prior art was urged against the patent, as referred to in the opinion of

the Circuit Court of Appeals. However, the Circuit Court of Appeals recognized that if the defendants had followed the teachings of the prior art, their device would not have included the patented combination of a one piece jacket formed entirely of resilient rubber detachably secured to a holder, and adapted to be clipped over a hair curler to form a space for receiving steam. Petitioners chose to appropriate the patented combination covered by the claims in suit, instead of following the teachings of the prior art. This is because the prior art failed to show a device as defined by the patent claims, consisting of a jacket formed entirely of resilient rubber and a holder detachably secured to the jacket, the complete device being adapted to clip over a curler to form a space about the wound hair for receiving steam.

In considering the way in which the Circuit Court of Appeals applied the prior art, it is pertinent to briefly review some of the evidence showing what the patent was intended to cover, facts as shown by the record of the case concerning prosecution and issuance of the patent in suit, the character of prior art cited by the Examiner during prosecution, and the character of the prior art relied upon by the Petitioners in the trial Court and in the Circuit Court of Appeals.

A perusal of the complete file wrapper of the patent in suit (Rec. pp. 827-861, incl.) reveals that during prosecution before the Patent Office Examiner, the feature of using a jacket made entirely of resilient rubber, and detachably secured to a holder, was con-

sidered as an important feature of the application, and was strongly urged for the allowance of claims.

The prior art cited by the Patent Office Examiner during prosecution of the patent in suit (Rec. pp. 846, 852), namely Platel 1,810,678 (Rec. p. 645), McEwen 1,938,188 (Rec. p. 619), Shelton 1,790,879 (Rec. p. 769), Shelton 1,756,837 (Rec. p. 765), and Shelton 1,831,827 (Rec. p. 778), were also urged in the trial Court and before the Circuit Court of Appeals as warranting a holding of no infringement. The Patent Office allowed claims over the showing of this prior art. Respondent's expert, during trial of the case before the District Court, was unable to point out any additional prior art more pertinent than that cited by the Patent Office (Rec. pp. 393-399, incl.).

In view of the above, it is incorrect for Petitioners to contend that the prior art showing made before the trial Court and before the Circuit Court of Appeals entitles them to license, manufacture, sell and use the Koolerwave device, making use of a one-piece jacket formed entirely of resilient rubber detachably secured to a holder, in spite of the fact that Petitioners are estopped, by principles of equity, from contesting validity of the patent. Clearly, the Petitioners desire to directly derogate from the patented subject matter, which was clearly assigned to Respondent, and which was not shown in the prior art.

This Court in *Westinghouse Co. v. Formica Co.* (supra), recognized that prior art cannot be used to defeat the patent grant as between the patent owner and a grantor. Thus, the Court stated (at page 351):

"* * * Of course, the state of the art cannot be used to destroy the patent and defeat the grant, because the assignor is estopped to do this. But the state of the art may be used to construe and narrow the claims of the patent, conceding their validity. The distinction may be a nice one, but seems to be workable. * * *"

PETITIONERS ARE ESTOPPED BY CONDUCT.

Petitioners assume throughout their Petition that the only estoppel present in this case is estoppel by deed or grant. This is incorrect. There is also ample evidence to establish estoppel by conduct. Before executing the assignment of the patent in suit (Plaintiff's Ex. 24-U, Rec. p. 574, introduced at p. 97), the Petitioner Ralph M. Keele (inventor named in the patent in suit) entered into an agreement with Respondent United States Appliance Corporation, dated February 9, 1934 (Rec. pp. 553-558).* This agreement covered the invention later incorporated in the patent in suit (United States Letters Patent 1,984,585, Rec. pp. 533-539). The second preamble paragraph of this agreement reads as follows (Rec. pp. 552, 553):

"Witnesseth:

Whereas, Keele has invented an improved apparatus and/or method for the permanent waving of hair, characterized particularly by the use of steam as a source of heat and by rubber steam

*This agreement was made before filing the application and was attached to and made a part of a later agreement dated July 24, 1935 (Plaintiff's Ex. 13-J, Rec. pp. 548-561, introduced Rec. p. 93), which specifically identified the application now issued as the patent in suit.

jackets enclosing the wound hair, in place of conventional electrical heaters; and"

The application on which the patent was granted was filed March 10, 1934 and was formally assigned by an instrument Exhibit 24-U (supra) executed March 3, 1934, this being the date of execution of the patent application.

The record also shows that during preparation of the application forming the patent in suit, the Petitioner Ralph M. Keele pointed out that it would be advisable to try to cover the use of a one-piece resilient jacket (Rec. p. 436).

In view of the above, it is clear that the Petitioner Ralph M. Keele made specific representations with respect to the nature of his invention before dealing with the Respondent United States Appliance Corporation, and that these representations were specifically to the effect that the invention was characterized by use of steam as a source of heat, and by the use of rubber steam jackets enclosing the wound hair. Therefore, the Court's decision may be justified solely upon estoppel by conduct, instead of estoppel arising from deed or grant. *Buckingham Products Co. v. McAleer Mfg. Co.,* 108 Fed. (2d) 192, C. C. A. 6; 1939.

In the *Westinghouse Co. v. Formica Co.* (supra) case this Court recognized that estoppel by conduct may be applied to enforce a patent.

THE DECISION IS IN ACCORD WITH PRIOR DECISIONS OF THE FEDERAL COURTS.

With respect to the fact that the Circuit Court of Appeals held the patent invalid to parties not estopped, but valid and infringed with respect to estopped parties, this case is similar to *American Machinery Co., Inc. et al. v. Everedy Machine Co., et al.*, 35 Fed. (2d) 526 (D. C. E. D. Penn. 1929). The Court in that instance held the patent in suit valid and infringed with respect to an estopped defendant, but invalid with respect to a defendant not estopped to deny validity. The opinion of the Court discusses various structural differences between the patented device and the device held to be an infringement. A similar result was arrived at in *Buckingham Products Co. v. McAleer Mfg. Co.* (supra), by applying estoppel by conduct.

THE DECISION DOES NOT VIOLATE CONSTITUTIONAL RIGHTS OF PETITIONERS.

With respect to the charge that the decision deprives Petitioners of their constitutional privileges, this is without merit. Petitioners are free to practice the prior art. The fact that the decision prevents them from using certain structures which the public may use without infringement, is due to circumstances and conduct for which they are responsible and which raise estoppel in favor of Respondent.

SUMMARY.

It is submitted that the Petition should be denied because of the following:

1. The decision of the Circuit Court of Appeals on infringement was arrived at after consideration of all of the evidence of record, together with the state of the prior art, and facts raising estoppel against the Petitioners.

2. In its application of the doctrine of estoppel, the decision of the Circuit Court of Appeals is not in conflict with, nor has it extended the doctrine of *Westinghouse Co. v. Formica Co.* (supra).

3. The evidence of record shows that the Petitioners are estopped both by deed or grant, and by conduct, and the decision of the Circuit Court of Appeals is based on principles of equity, and does not affect the interest of the public.

4. The decision of the Circuit Court of Appeals is in accord with prior decisions of the Federal Courts.

5. No constitutional rights of the Petitioners are being violated.

Dated, San Francisco, California,
October 15, 1941.

Respectfully submitted,
PHILIP HARPER ALLEN,
Attorney for Respondent.

PAUL D. FLEHR,
JOHN F. SWAIN,
Of Counsel.